

CORRECTED FISCAL NOTE

HB 121 - SB 442

February 27, 2007

SUMMARY OF BILL: Requires a pharmacist to notify and receive signed informed consent from the prescribing physician and patient or patient's legal guardian prior to the interchange of an anti-epileptic drug.

ESTIMATED FISCAL IMPACT:

On February 12, 2007, we issued a fiscal note which indicated that there would be a *not significant increase in state expenditures and a not significant impact on the cost of health insurance premiums*. Based on information provided by the Bureau of TennCare, the estimated fiscal impact of this bill is:

(Corrected)

Increase State Expenditures – Exceeds \$363,000

Other Fiscal Impact – Increase Federal Expenditures – Exceeds \$637,000

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation will not have a significant impact on the cost of health insurance premiums.

Assumptions:

- The original fiscal note was based on the assumption that there would not be a fiscal impact on the pharmacy limitations of the TennCare program.
- According to the Bureau of TennCare, there are approximately 30,000 TennCare enrollees who are restricted by the pharmacy benefit limitations. Approximately 16,000 enrollees in TennCare are receiving some type of anti-epileptic medication, the majority of which are not part of the small contingent on pharmacy limitations.
- If 90% of enrollees that are on some type of anti-epileptic medication are part of the one million enrollees that are not restricted through pharmacy limitations, there will be 14,400 individuals who will be able to shift from generic anti-epileptic medications to brand name anti-epileptic medications

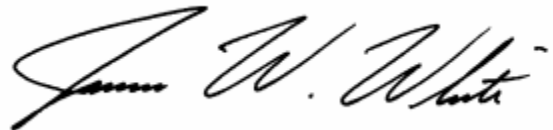
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which will have a significant impact on the expenditures to the TennCare program. While it is not possible to quantify an exact increase, it is estimated that any increase to expenditures will exceed \$1,000,000.

- Of the increase in expenditures, it is estimated that \$363,050 will be in state funds at a rate of 36.305% and \$636,950 in federal funds at a rate of 63.695%.
- The Department of Commerce and Insurance will not incur an increase in complaints filed against pharmacists or pharmacies with the Board of Pharmacy. Any increase in state expenditures will be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director